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ABSTRACT

This document presents testimony delivered before the House Select Committee on Children, Youth, and Families on the economic status of Hispanic children and families in the United States. The speaker, a senior policy analyst at the National Council of La Raza, focuses on the strengths of Hispanic families, the economic challenges they face, and the public policy implications of these findings. Findings on Hispanic family strengths include the following: (1) spouse earnings provide increasing support for Hispanic families; (2) Hispanic families have a strong work ethic; and (3) Hispanic families can withstand negative influences. The testimony examines signs of stress in the following areas: (1) poverty among Hispanic children; (2) poverty among married-couple families; (3) poverty among families headed by native-born Hispanics; and (4) the growing income gap between Hispanics and Whites. The following implications for the future are suggested for policymakers' consideration: (1) earnings-focused policies are a high priority for Hispanic families; (2) Hispanic families can and will take advantage of increased opportunities; and (3) high priority should be given to programs and policies that preserve and reinforce the strengths of Hispanic families. These would include community-based education models, family-focused social services, and more flexible housing assistance regulations. Statistical data in nine graphs are appended. (AF)

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TESTIMONY ON THE ECONOMIC STATUS OF HISPANIC CHILDREN AND FAMILIES

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Before:

The Select Committee
on Children, Youth, and Families
The U.S. House of Representatives

September 25, 1989

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STATEMENT OF
JULIE QUIROZ
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THE NATIONAL COUNCIL OF LA RAZA

I. INTRODUCTION

Mr. Chairman and members of the Committee, my name is Julie Quiroz and I am a Senior Policy Analyst at the National Council of La Raza. I am also appearing before you in my capacity as director of the Council's Hispanic Initiative on Long-Term Poverty, a research and advocacy project established to develop strategies for addressing Hispanic poverty.

As the committee is aware, the National Council of La Raza is a Washington, D.C.-based national organization dedicated to improving life opportunities for Hispanics in the United States. The Council serves as a national umbrella organization for more than 100 local "affiliates" -- Hispanic community-based groups which provide employment, education, health, housing, immigration, and social services to about one million Hispanics annually.

Mr. Chairman, I wish to express my appreciation to you for giving us the opportunity to present our views on the economic status of Hispanic children and families in the U.S. I would also like to thank the members of the Congressional Hispanic Caucus for their support for this hearing, and recognize the outstanding work of Ms. Margarita Roque, Acting Director of the Caucus. My remarks today will focus on the strengths of Hispanic families, the economic challenges they face, and the public policy implications of these findings.

II. ANALYSIS

A. The Strengths of Hispanic Families

Families play a critical role in maintaining Hispanics' economic well-being. According to the Census Bureau's Current Population Survey, Hispanics are more likely to live in families than is the overall U.S. population. And, although there is an increasingly smaller proportion of extended families among all U.S. populations, Hispanics -- particularly Mexican Americans -- are still more likely than Whites to live in extended families. The family provides an important strength in Hispanic society and an important contribution to the nation. The Hispanic family can also hold great economic significance, providing the support with which Hispanics can respond to economic and social challenges. Recent research provides a number of examples which illustrate this support:

(1) Spouse Earnings Provide Increasing Support for Hispanic Families. Using Census Bureau data, Lief Jensen and Marta Tienda have found that among Hispanic married-couple families, **spouse earnings have had a greater impact on poverty rates than public assistance and social insurance.** In 1979, the poverty rate among Mexican American families would have been 28% higher had it not been for spouse earnings. In 1984, their poverty rate would have been 33% higher without these additional earnings. Among Puerto Rican married-couple families, the poverty rate without spouse contributions would have been 28% higher in 1979, and 48% higher in 1984. In comparison to the impact of spouse earnings, the impact of public assistance and social insurance on Hispanic family poverty rates

was relatively small. In 1979, without public assistance and social insurance, the poverty rate among Mexican married-couple families would have been 18% higher, and in 1984, 17% higher. The 1979 poverty rate for Puerto Rican married-couple families would have been 13% higher without public assistance and social insurance; in 1984, 29% higher. Although public assistance and social insurance have had an important impact on Hispanic poverty, this impact has been smaller than the impact of spouse earnings.

(2) Hispanics Families Have A Strong Work Ethic. In our analyses of Census Bureau data, the National Council of La Raza has found that a strong work ethic exists among Hispanic families. In 1987, over 40% of poor Hispanic families had a head of household that worked. Thirty-five percent of working poor Hispanic families had a head of household that worked 50 weeks or more. Among poor Hispanic single mothers, 28% worked. Although the unemployment rate of Mexican American men is almost double that of White men, Mexican American men's labor force participation rate is about 5 percentage points higher. And, although the labor force participation rate of Puerto Rican men falls about 4 percentage points below that of White men, Puerto Rican men's unemployment rate exceeds that of White men by about 5 percentage points.

(3) Hispanic Families Can Withstand Negative Influences. Many studies indicate that Hispanic families have the ability to withstand negative influences. For example, a recent study of 8,000 California public school students found that the greater the amount of time children spend alone without supervision, the greater the risk of alcohol and drug use. This study, conducted by the University of Southern California and funded by the National Institute On Drug

Abuse, found the same correlation among Hispanic children, but also found that Hispanic children are less likely to be left alone because of the high proportion of extended families among Hispanics. Hispanic families are also more likely to include the elderly. In a National Council of La Raza study of the Hispanic elderly, we found that the Hispanic elderly are about twice as likely to be living with their children's family than are Blacks, and about three times as likely as Whites.

These and other examples illustrate the strengths of Hispanic families. However, there are also clear signs of stress.

B. Signs of Stress

(1) Poverty Among Hispanic Children. As the Committee recognized in commissioning the ground-breaking 1985 Congressional Research Service study, one of the most alarming indicators of stress among Hispanic families is the high number of Hispanic children that live in poverty. About 36% of Mexican American children are poor, as are over 50% of Puerto Rican children. Although children of single mothers have the highest poverty rates of all children, over 3/5 of Mexican American poor children live in two-parent families; among Puerto Rican poor children, only 1/5 live in two-parent families. The proportions of poor Hispanic children in married-couple families has remained about the same since 1978.

(2) Poverty Among Married-Couple Families. Increasing poverty among Hispanic married-couple families is closely tied to Hispanic children's poverty. In 1974,

the poverty rate among Hispanic married-couple families was 14.4%, rising to 16.6% in 1984 and 18.1% in 1987 — overall, a 26% increase. Hispanic married-couple families have higher rates of poverty than either Black or White families, and the rate of increase in poverty has been higher for Hispanic families than it has been for either Black or White families.

(3) Poverty Among Families Headed By Native-Born Hispanics. The families of native-born Hispanics have significantly higher poverty rates than White families. For example, in the 1980 Census, the most recent source of such information, the inclusion of data on foreign-born Mexican American families raised the poverty rate above what it would have been if only native-born Mexican Americans had been counted. However, the increase was only 4.8 percentage points, leaving the native born Mexican American poverty rate of 19.2% still significantly higher than the 7.4% experienced by White families. The same is true for Puerto Ricans: the difference between the poverty rates of mainland-born versus island-born Puerto Ricans was 6.2 percentage points, with island-born Puerto Ricans bringing the overall Puerto Rican rate to 33.4%. The 28.4% poverty rate experienced by mainland-born Puerto Ricans was close to the 30% poverty rate among Black families and dramatically higher than the 7% poverty rate among White families.

(4) The Growing Income Gap Between Hispanics and Whites. The income gap between Hispanic families and White families is growing. In 1987, the median income of Mexican American families equaled 62% of White families median income — 11% lower than the proportion it equaled in 1979. For Puerto Rican families, their median income equaled a remarkably low 47% of White families' median

income, 15% lower than the proportion it equaled in 1979.

C. Implications for the Future

Evidence of the strengths of Hispanic families, as well as indications of the stresses they face, have important implications for policy makers.

(1) Earnings-focused policies are a high priority for Hispanic families. Increasing and maximizing earnings will complement Hispanic families' efforts to stay out of poverty. Two current proposals, expansion of the Earned Income Credit and increasing the minimum wage, would have a significant beneficial impact on the economic well-being of Hispanic families.

(2) Hispanic families can and will take advantage of increased opportunities. Policies for addressing Hispanic poverty should include skills training and re-training and the elimination of barriers to decent jobs. For example,

- The Job Training Partnership Act. Proposed revisions in the Job Training Partnership Act (JTPA) can help ensure provision of better job training to more Hispanics.

- Civil Rights Enforcement. Better enforcement of employment discrimination prohibitions can provide Hispanics' access to good jobs.

(3) High priority should be given to policies that preserve and reinforce the

strengths of Hispanic families. For example:

- Community-based education models, such as the National Council of La Raza's Parents As Partners program. In this program, community-based organizations help Hispanic parents become part of their children's educational success.

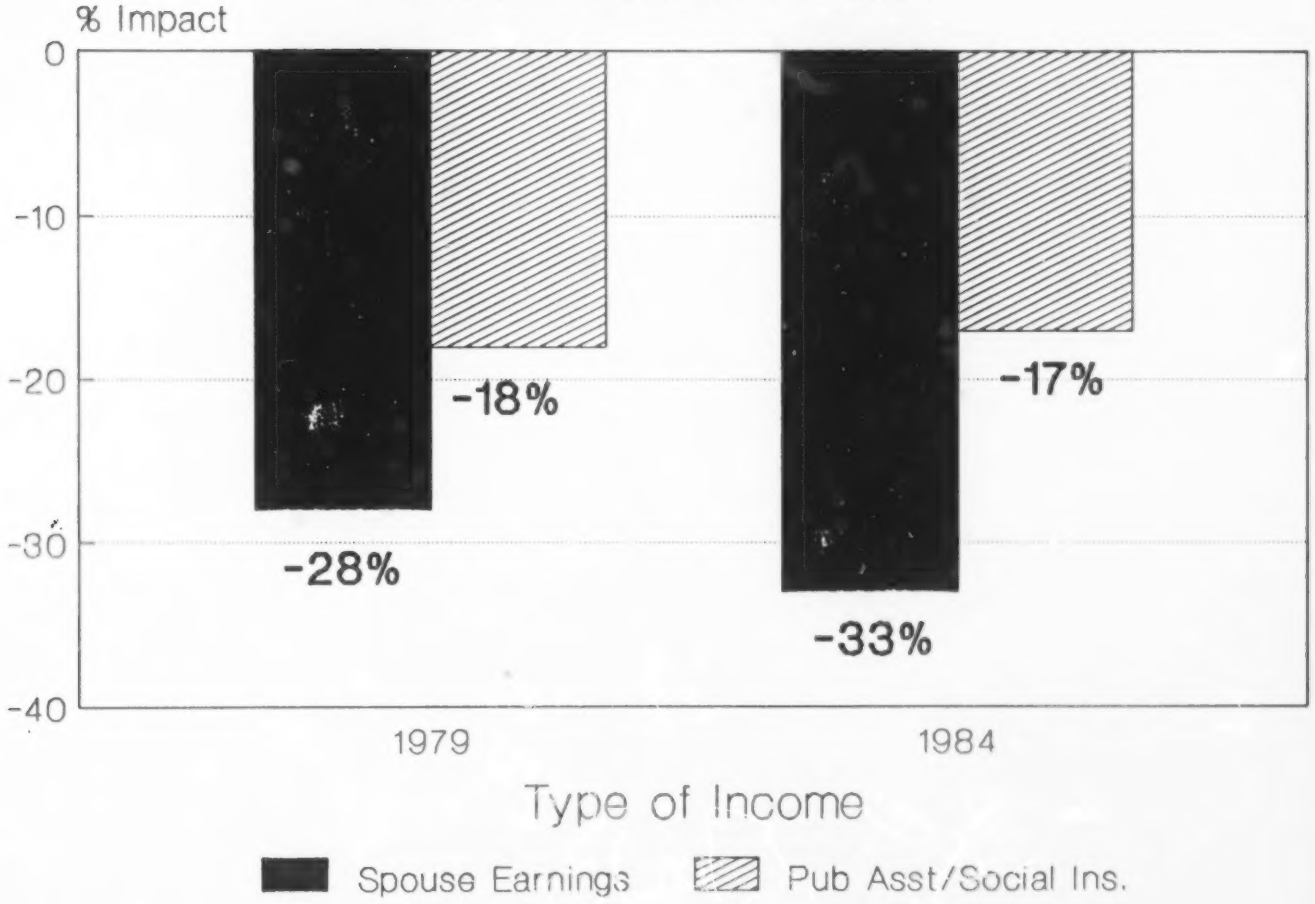
- Family-focused social services, such as the Guadalupe Center's teenage pregnancy program. In this program, a long-standing community organization addresses the needs of both the teenage mother and her family.

- More flexible housing assistance regulations which provide for larger families and permit the elderly to live with their children and grandchildren in assisted housing.

These are just some of the most important policy priorities for addressing poverty among Hispanic children and families.

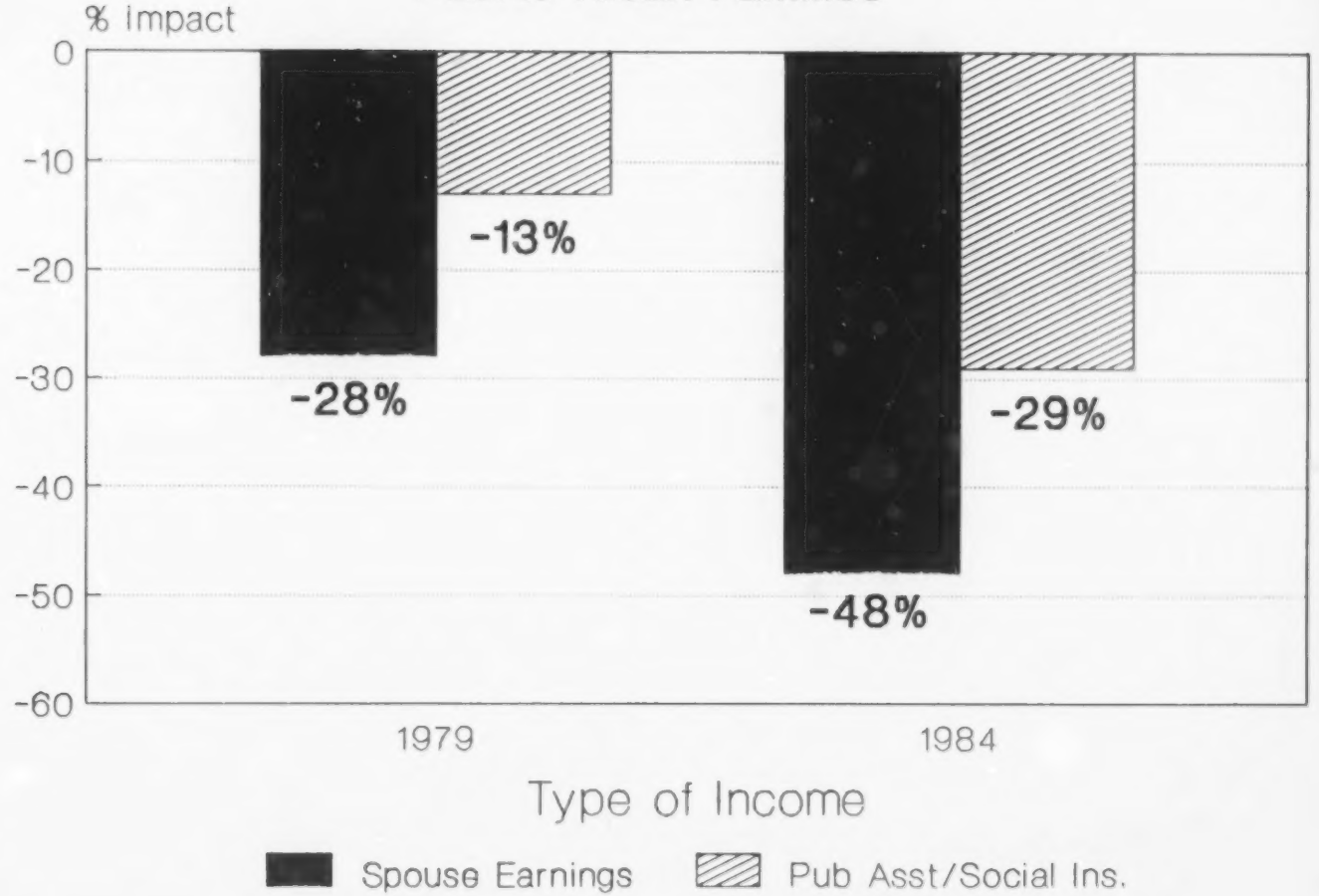
In closing, Mr. Chairman, I would like to thank you once again for providing a forum for identifying the critical issues facing Hispanic families and children. I would now like to entertain any questions the Committee may have.

1. Impact On Poverty Rates: Spouse Earnings, Public Ass't, Social Insurance Mexican American Families



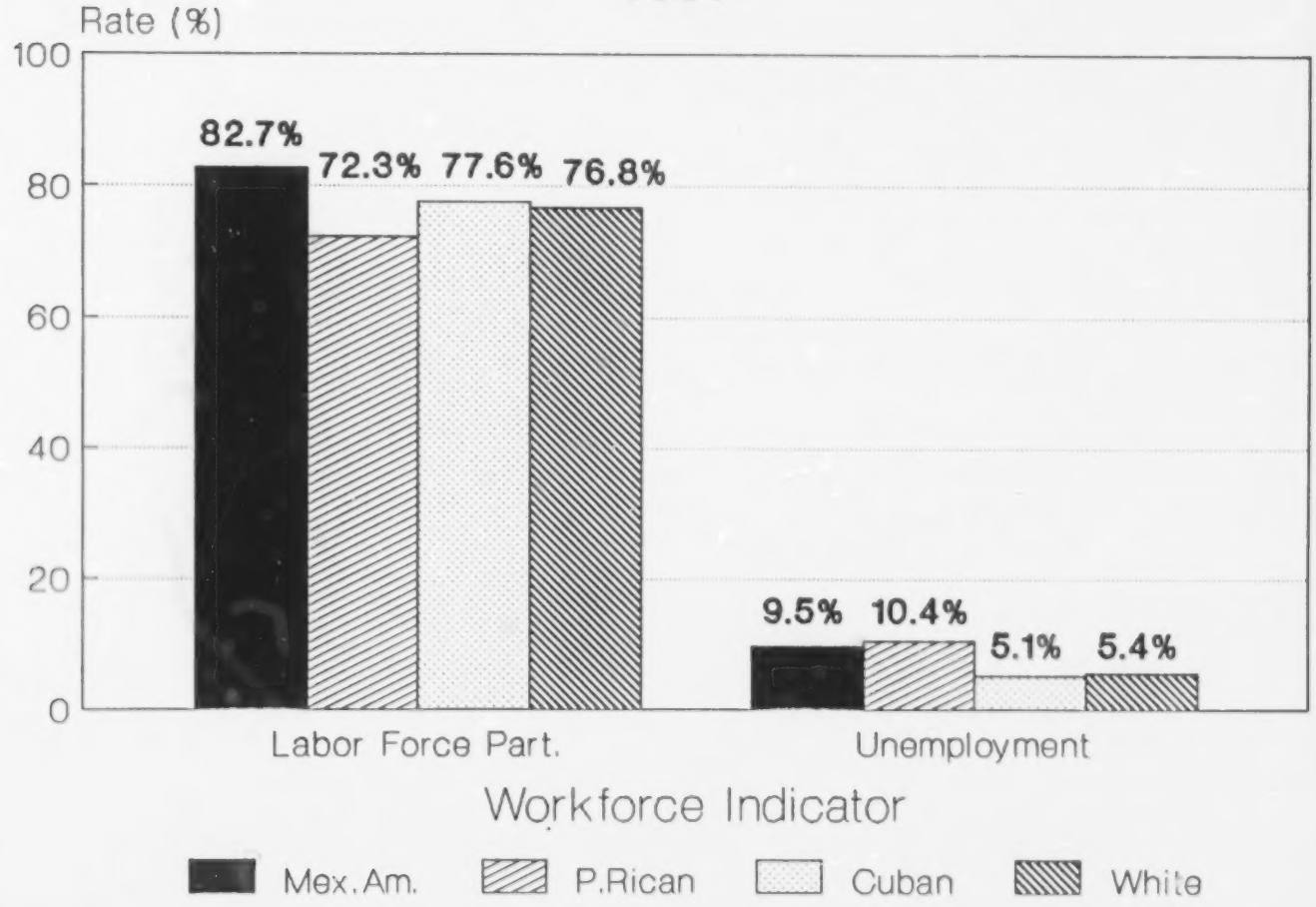
Source: Jensen and Tienda, 1987

2. Impact On Poverty Rates: Spouse Earnings, Public Ass't, Social Insurance Puerto Rican Families



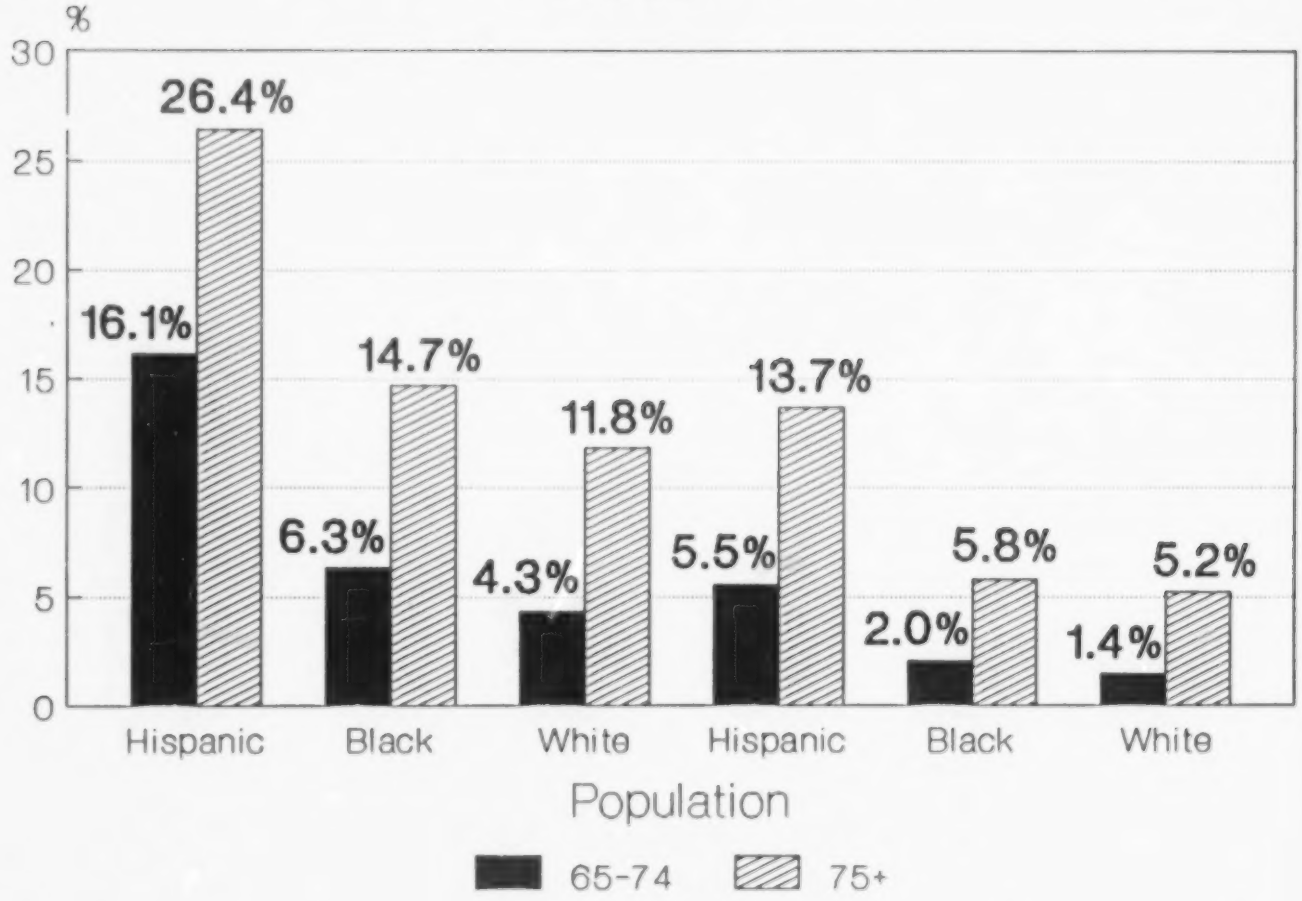
Source: Jensen and Tienda, 1987

3. Hispanic Males Labor Force Participation & Unemployment 1987



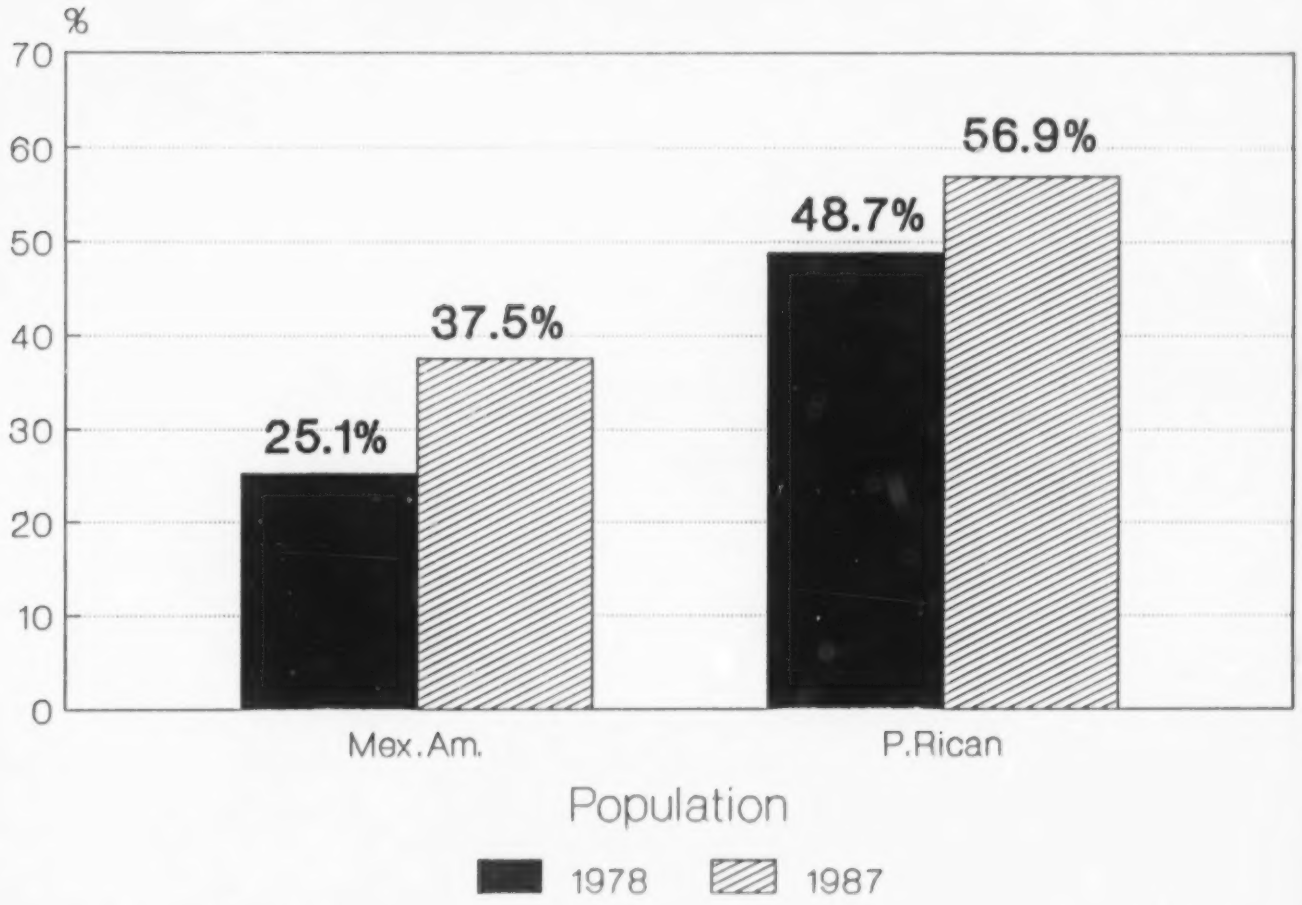
Source: Statistical Abstract, 1989

4. Elderly Who Live With Their Children's Family 1980



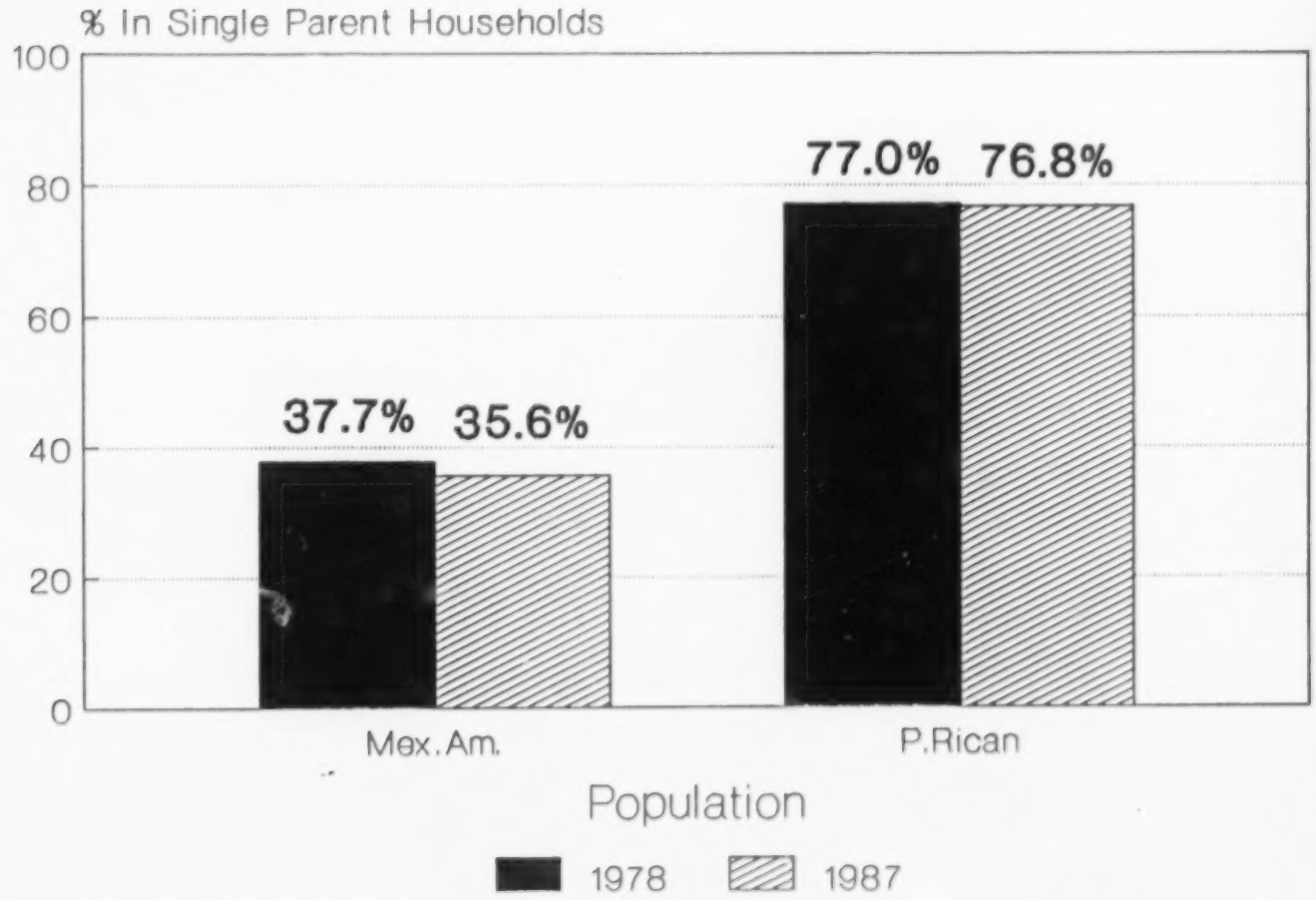
Source: La Raza, 1988

5. Poverty Rates: Mexican American & Puerto Rican Children, 1978, 1987



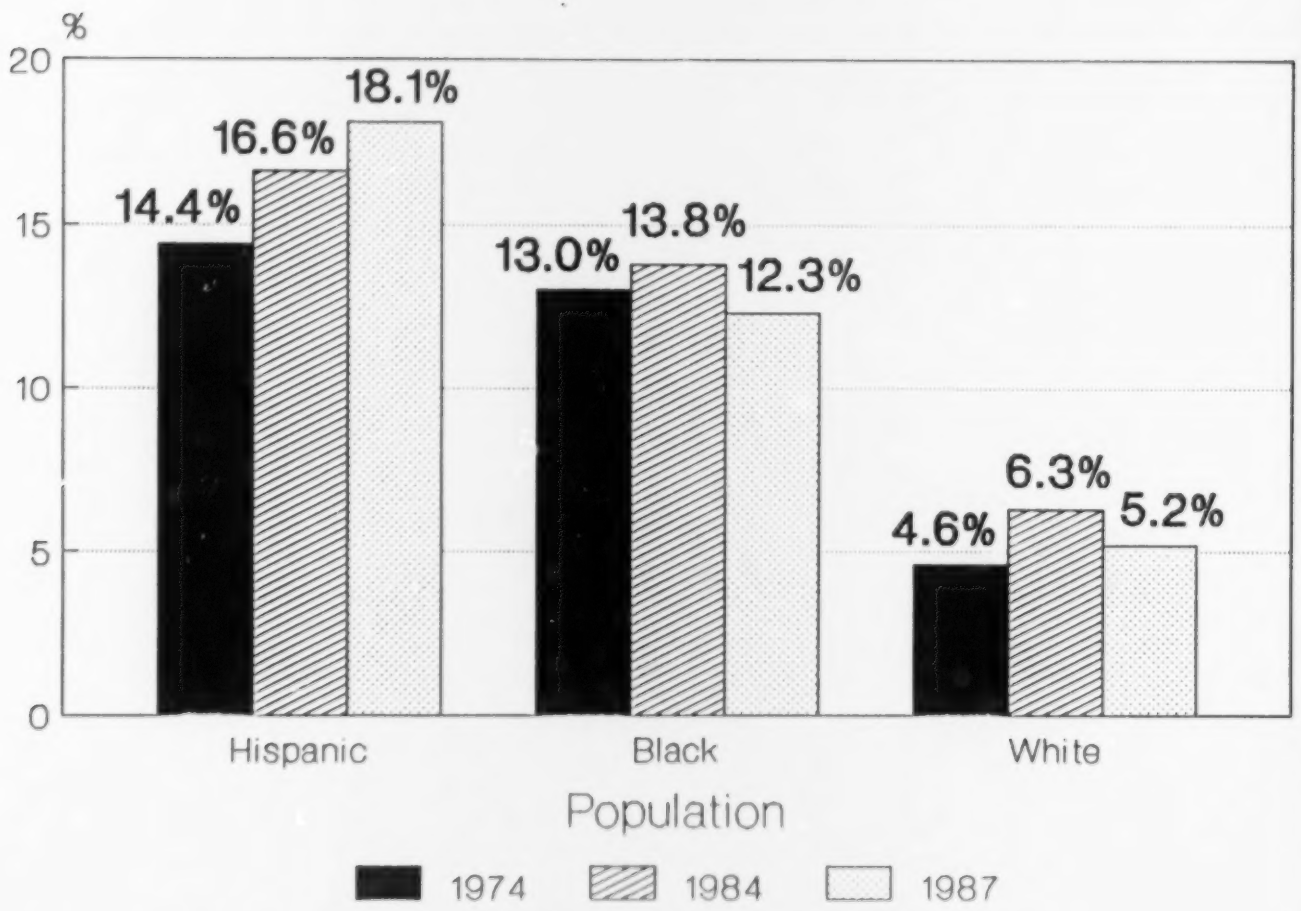
Source: Census, P-60, No. 163, 1987

6. Proportion of Poor Hispanic Children In Single Parent Households, 1978, 1987



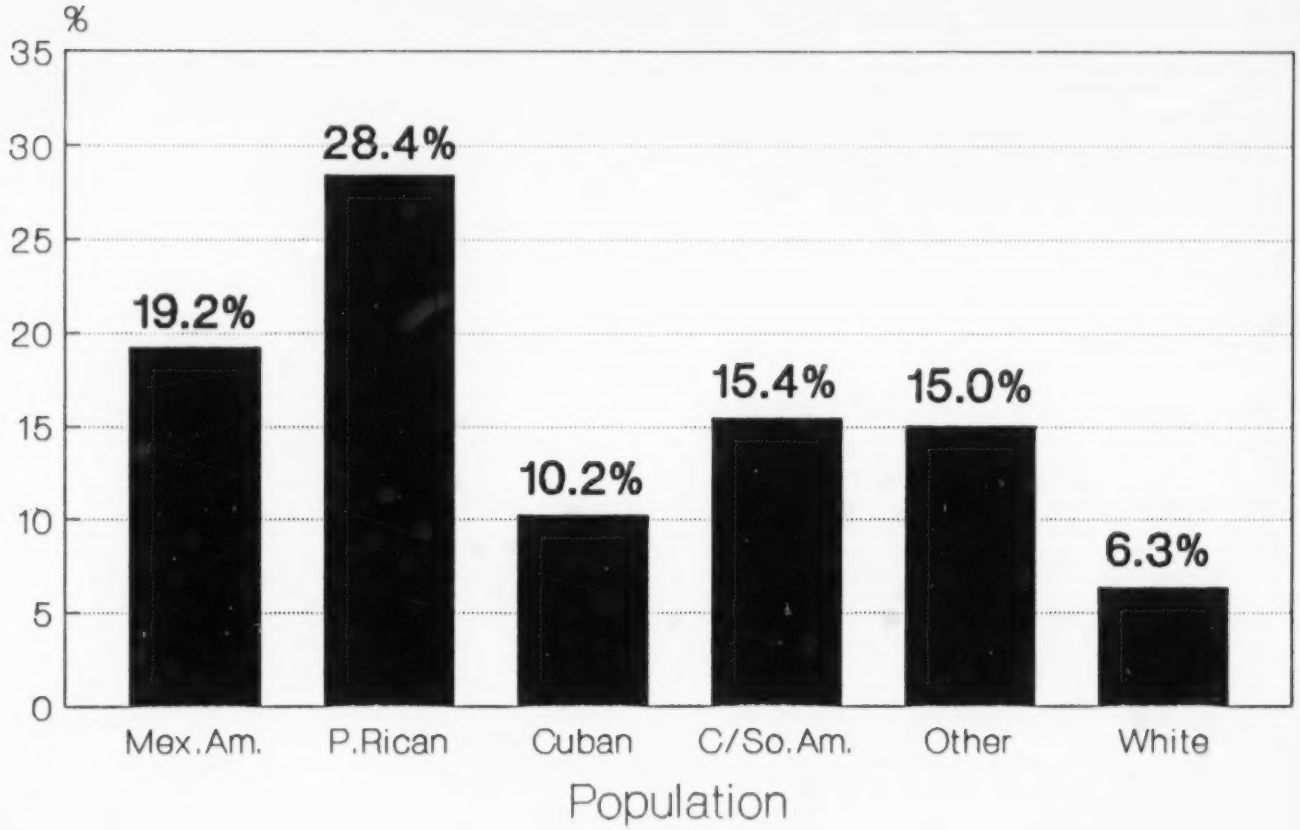
Source: Census, P-60, No. 163, 1987

7. Married-Couple Families
Poverty Rate, 1974, 1984, 1987



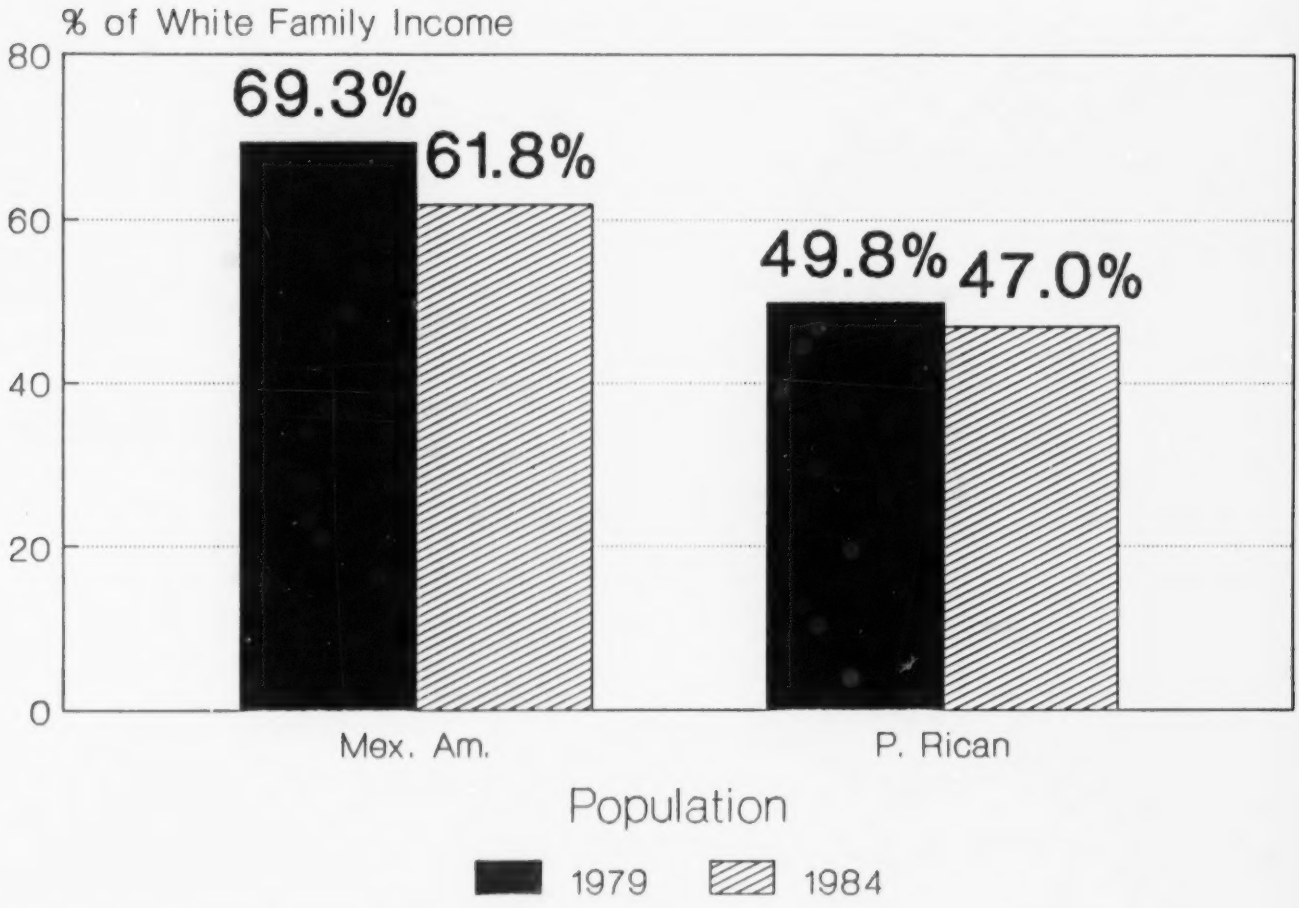
Source: Census, P-60, No. 163, 1987

8. 1980 Poverty Rates: U.S.-Born Hispanics, Whites (Overall)



Source: Bean and Tienda, 1988

9. Growing Income Gap, 1979, 1987
Hispanic/White Family Income



Source: Bean and Tienda, 1988; 1988 CPS